TT INTERNATIONAL LIMITED

Company Registration Number 198403771D

(Incorporated in Singapore)

Corporate and Business Update

The Board of Directors ("the Board") of TT International Limited ("TTI" or the "Group") wishes to provide a corporate and business update following a strategic review.

I. Brief Background of the Group's Businesses and Operating Environment

TTI is a Singapore-based company with businesses and operations spread across 60 countries. Its businesses comprise international trading, distribution, supply chain management, brand management and retailing of consumer electronics and furniture, complemented by third-party warehousing and logistics services. It has subsidiaries in 13 countries, of which five are considered key – Singapore-based Big Box Singapore Pte Ltd ("BBSPL"), Akira Corporation Pte Ltd ("Akira Corporation"), Furniture and Furnishings Pte Ltd ("F&F"), PT Electronic Solutions ("PT ES") in Indonesia, and Australia-based TTA Holdings Limited ("TTA") which is listed on the Australia Securities Exchange ("ASX").

The repercussions from the 2008-2009 Global Financial Crisis ("GFC") had led to many financial institutions restricting credit lines severely, including for the global distribution and sourcing industry. These activities – core businesses of the Group until recently – were severely affected, causing constraints to the Group's operations, cash flow and financial resources. On 31 October 2008, TTI entered into a standstill arrangement with its creditors to restructure its financial liabilities, which was followed by a Scheme of Arrangement ("the Scheme") that was sanctioned by the Singapore High Court in October 2010.

II. Review of Current Core Businesses

The directors of TTI have recently conducted a review of the Group's businesses and operations. Taking into consideration the longer cash conversion cycle of the distribution business and supply chain management segment, the directors believe that continuing with the global trading and distribution businesses will require a significantly stronger balance sheet and substantial economies of scale. In addition, future growth of this segment will still be subject to risks of curtailed access to credit and foreign exchange fluctuations.

Notwithstanding the constraints faced by the Group under the Scheme, TTI's retail activities – which require a shorter cash conversion cycle – have continued to grow. In addition to the retail network built over six years in seven Asian countries, the Group recently signed a 15-year Master Franchisee Agreement with France's Habitat to bring its brands to 15 Asian countries.

III. Strategic Direction Going Forward

Going forward, the Group intends to capitalise on its global network, market know-how and expertise in sourcing and distribution to chart a new strategic direction. The objectives of this new strategy are to:

1. achieve an early return to sustainable profitability;
2. facilitate termination of the Scheme by performance; and

3. enhance shareholder value via asset ownership and potential listing of one or two subsidiaries.

To achieve these objectives, TTI has identified three pillars of growth:

1. Expansion of Retail Operations
2. Value Enhancement of BIG BOX
3. Expansion of Sourcing and Brand Management

IV. First Pillar – Expansion of Retail Operations

The Group currently manages close to 100 stores (including franchisee stores) with a combined retail footprint of approximately 1.1 million sq ft in Singapore, Indonesia, Brunei, Malaysia, Myanmar, Cambodia and Taiwan. The launch of BIG BOX by December 2014 will increase the retail footprint to 1.5 million sq ft.

Focusing on expanding in Singapore and Indonesia in the near term, the Group intends to grow its total Asian retail network to 300 stores with approximately 3.0 million sq ft within five years.

A. **Singapore** - The launch of BIG BOX will add a new dimension to the Group's retail operations in Singapore and also significantly transform the corporate destiny of TTI. As the largest (400,000 sq. ft. of retail space and 600,000 sq. ft. for warehouse and logistics facilities) and newest of only four Warehouse Retail Scheme ("WRS") malls in Singapore, BIG BOX is expected to add vibrancy to the Jurong Gateway vicinity.

   Capitalising on the Group's global network, market know-how and expertise in sourcing and distribution, BIG BOX seeks to transfer savings to the consumers in Singapore through large sales volumes managed directly from factory to storefront. Under the terms of the WRS, BIG BOX must achieve turnover of at least S$200 million by the fifth year of operation. The directors are reasonably confident of achieving this target significantly earlier. Beyond retail, BIG BOX also intends to offer warehousing and supply chain management services to third-party merchants in the Jurong vicinity.

B. **Indonesia** – The Group's Indonesia subsidiary, PT ES, currently operates 56 retail stores (mostly franchisee stores). The rise of the middle-class consumer, in tandem with healthy economic growth in the country of 230 million people in the last decade, augurs well for the Group which targets to have 100 ES stores in Indonesia in the medium term.

   The Group will also explore a possible public offering for its Indonesian Retail Operations at an opportune time.

V. Second Pillar – BIG BOX

BIG BOX, when fully operational by December 2014, will constitute the Group's second business pillar and possibly its leading revenue driver. It is expected to contribute four months of revenue in the financial year ending 31 March 2015 ("FY2015") and the full 12 months in FY2016.

As at 31 March 2013, BIG BOX property, with total built-up area of 1.3 million sq ft, had a carrying value of S$90.9 million. The directors believe that the valuation of BIG BOX will increase significantly upon obtaining its Temporary Occupation Permit ("TOP"), given the traffic volume and vibrancy in the Jurong Gateway where adjacent malls already have higher valuations. The Group intends to carry out independent valuations of BIG BOX annually, which are expected to contribute positively to its future balance sheet. Additionally, the Group intends to export the BIG BOX business model overseas via partnerships or joint-ventures which can contribute to future financial performance.

VI. Third Pillar – Sourcing and Brand Management

With extensive Sourcing and Brand Management experience of 30 years, the Group's Akira brand has established a leading position in consumer electronics in several emerging markets. Its furniture and furnishing arm, F&F, which manages brands such as Novena, Barang Barang and Castilla, has also started expanding beyond Singapore, while being the Asian Master Franchisee for Habitat. TTA Holdings Limited, which is 86%-owned by TTI, serves as the Australian marketing and distribution arm for TEAC Corporation of Japan under a 15-year Master Franchisee Agreement, representing a wide range of audio and visual consumer electronics products.

The Group intends to widen its global presence and license its brand portfolio. It will also expand its full-service sourcing solutions, including quality control, quality assurance and after-sales service, for international hyper-market chains.

It also intends to capitalise on this expertise and its supply chain management skills to create a knowledge-based platform equipped with IT infrastructure for TTI's companies as well as Small and Medium Enterprises (SMEs) in Singapore to tap on.

VII. Outlook

The establishment of BIG BOX will create a major new business division, which can emerge as a significant revenue contributor that will also enhance the asset valuation of the Group. The directors believe that the increased valuation of BIG BOX is expected to reverse the current negative equity position of TTI by FY2015.

BY ORDER OF THE BOARD

Tong Jia Pi Julia
Executive Director
31 March 2014